

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SOLUTIONS
ADMINISTRATOR'S MEMO SERIES

NOTICE 04-08

ISSUE DATE: 05/05/2004
DISPOSAL DATE: 05/31/2006

RE: CALENDAR YEAR 2004 &
2005 CHILD SUPPORT
ALLOCATION FOR
SPECIAL IMPROVEMENT
FUNDS

To: Child Support Agency Directors

From: Bill Clingan /s/
Division Administrator

PURPOSE

This memo is issued to local Child Support Agencies (CSAs) to allocate excess Federal Fiscal Year (FFY) 2002 child support incentive funds as Special Improvement Funds. The attached spreadsheets show each eligible agency the amount available throughout Calendar Year (CY) 2004 and 2005. These amounts are in addition to the regular Performance Based funding of \$12.34 M that was allocated for 2004, and the regular Performance Based funding of \$13.1M that will be allocated for CY 2005 in May 2004.

The memo also addresses the DWD financial system CORE and the new Program Code for claiming the special improvement funds.

BACKGROUND

Due to Wisconsin's strong performance, DWD received a federal child support incentive award of \$15,924,085 for FFY 2002. This included \$3,584,085 in excess of the anticipated \$12,340,000 for 2002. New provisions in the 03-05 biennial budget allow the excess incentive payments to be split equally between counties and state administration. Therefore, the department is designating \$1,792,043 in additional funds as Special Improvement funds for counties to use during CY2004 and CY2005.

Under federal law, states are not permitted to supplant spending with increased federal incentive funds. Local agencies must reinvest the increased incentive funds in the child support program to improve performance.

These funds will be earned based on the performance improvement targets that were developed in consultation with the committee of county representatives from the child support Policy Advisory Committee (PAC). The new performance improvement targets will be formally communicated to CSAs in a separate Administrator's Memo during April or May 2004.

The Department and county representatives from the Policy Advisory Committee (PAC) agreed to establish a 3-tiered program for using the Special Improvement funds to improve Wisconsin's performance measures.

Tier 1 Funds: \$1.26 in funds represents funds that are allocated *in addition to* regular Performance Based funding of \$12.34M in CY 2004, and \$13.1M that will be awarded for CY 2005. Almost all Wisconsin counties are eligible for Tier 1 Funds. These funds will be earned under the new, *aggressive* targets set for CY 2005.

Tier 2 Funds: \$36,183 in funds earmarked for 13 Wisconsin counties that need to significantly improve performance on two of the five federal measures: Collection of Current Support and Collections on Arrears Cases. These counties will have to submit Performance Improvement Plans (PIPs) to qualify for the additional funding.

Tier 3 Funds: \$495,860 in funds earmarked for Wisconsin's five largest counties. These counties need to demonstrate extraordinary improvement on two of the five federal measures: Collections of Current Support and Collections on Arrears Cases. Tier 3 counties will have to reach *very aggressive* performance improvement targets set for CY 2005. Improvement gains in these five counties will increase the overall statewide performance funding for Wisconsin. These counties will have to submit PIPs to qualify for the additional funding.

SPECIAL IMPROVEMENT FUNDING ALLOCATION

A total of \$1,792,043 is being allocated. These funds are in addition to the regular performance based funding awarded for CY 2004 and CY 2005. The funds may be used during CY 2004 and CY 2005. When matched with 66 percent federal funds for allowable child support activities, it generates \$3,478,672 in federal funds for a total of \$5,270,715. The allocation for the Special Improvement Funds follows:

Tier 1

- Column A on the attachment 1 chart shows Tier 1 allocations.
- Almost all of the county child support agencies will share \$1.26 M based on the caseload formula.
- These funds will be tied to aggressive performance improvement targets for CY 2005.
- Eighty percent of the Tier 1 amounts are guaranteed.

Tier 2

- Column B on the attachment 1 chart shows Tier 2 allocations.
- 13 low-performing counties will receive \$36,183: Adams, Barron, Bayfield, Burnett, Douglas, Jackson, LaCrosse, Langlade, St Croix, Sawyer, Washburn, Waukesha, and Dane (Dane-Current Support Measure only).
- These agencies must meet the same aggressive performance improvement targets as the Tier 1 counties.
- These agencies will need to submit PIPs to qualify for the funding.
- Eighty percent of the Tier 2 amounts are guaranteed.

Tier 3

- Column C on the attachment 1 chart shows Tier 3 allocations.
- 5 very low performing counties will receive \$495,860: Kenosha, Milwaukee, Racine, Rock and Dane (Dane-Arrears Measure only).
- These agencies will need to meet higher performance improvement targets than the Tier 1 and Tier 2 counties.
- These agencies will need to submit PIPs to qualify for the funding.
- Seventy percent of the Tier 3 amounts are guaranteed.

All the funds must be used for the Child Support Agency's programs and for no other purpose. The performance levels, earnings reconciliation, and reallocation of unearned funds will occur when the target month of September 2005 data is available. Tier 3 counties will not participate in statewide reallocation of unearned Tier 3 funds.

CORe INFORMATION

Column D on the attachment 1 chart shows the total contract amount that will be loaded into new CORe Program Code.

Two new Program Codes have been established: 7465 for county reporting and 7496 for contract amount loading (state use only).

Agencies shall report expenses on Program Code 7465. Examples of allowable expenses are the followings:

- Salaries, fringe benefits, training costs
- Communication, printing, office supplies
- Travel
- Furniture and equipment acquisition, depreciation expense, rental, maintenance
- Arrest and process service
- Data Processing expenditures

Expenses reported on Program Code 7465 can not be reported to any other Program Code.

There will be no advanced payment from the Special Improvement fund. A contract addendum will be issued and attached to both the 2004 and 2005 Performance Based Fund Contracts.

If you have any questions, feel free to contact your Area Administrator.

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ATTACHMENTS: 2 Spreadsheets